

BEFORE THE TENNESSEE REGULATORY AUTHORITY

NASHVILLE, TENNESSEE

March 24, 2004

IN RE:

**TARIFF TO ESTABLISH THE ZERO MINUS CHARGE
TARIFF NUMBER 2003-1210**

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**DOCKET NO.
03-00603**

ORDER APPROVING TARIFF WITH STIPULATIONS

This matter came before Chairman Deborah Taylor Tate, Director Pat Miller, and Director Ron Jones of the Tennessee Regulatory Authority (the "TRA" or "Authority"), the voting panel assigned to this Docket, at the December 8, 2003 Authority Conference for consideration of Tariff 2003-1210 to Establish the Zero Minus Charge filed by BellSouth Telecommunications, Inc. ("BellSouth" or "the Company").

Background

BellSouth filed this Tariff with the Authority on October 31, 2003 with a proposed effective date of December 1, 2003. With this Tariff, BellSouth proposed to charge callers \$.95 for dialing 0 to ask for information such as a city's area code, the time of day, etc., or to request services such as a call back. This Tariff would also impose a \$.95 charge for operator assistance in dialing an 800, 888, 877, or 855 toll free telephone number. Calls such as these are termed Zero Minus.

A review of the Tariff revealed the absence of any exemptions from the \$.95 charge under this Tariff for elderly or disabled individuals. In a data request sent to BellSouth on November 6, 2003, the Company confirmed that no exemptions from the proposed \$.95 charge would be available under the Zero Minus Tariff.

At the November 24, 2003 Authority Conference, the Directors expressed the concern that operator services often serve as a lifeline for the elderly and disabled and raised the possibility of BellSouth providing an exemption similar to that which has previously been required by the TRA for Directory Assistance services¹ as well as providing an educational program to inform the public of this proposed new charge. BellSouth responded that the nature of the information provided by Directory Assistance is different from that which would be provided under this Tariff. According to BellSouth, the information provided pursuant to the Zero Minus Tariff would be readily available in a telephone directory, whereas the information in Directory Assistance may not be available in a telephone directory because telephone numbers are subject to more frequent change.

BellSouth also indicated that the level of projected revenue from this Tariff would not support the additional administrative burden to BellSouth that would be incurred to verify a request for an exemption because in total only about 4.5 percent of all the calls to operator services would be subject to the proposed \$.95 charge. Notwithstanding these reservations, BellSouth agreed to consider the Directors' request and provide a definite answer at the next Authority Conference.

On November 25, 2003, BellSouth filed a letter with the TRA indicating that the Zero Minus Tariff would be serviced from a database different from the database presently used to provide Directory Assistance. Because no other state in the BellSouth region has required exemptions to this Tariff, BellSouth contends that the additional administrative expense that would be incurred to provide such exemptions only in Tennessee would not be justified by the limited revenue stream projected.

¹ See, *United Telephone-Southeast, Inc Tariff No 96-201 to Reflect Annual Price Cap Adjustment*, Docket No 96-01423, *Order Approving in Part and Denying in Part Tariff No 96-201* (September 4, 1997); *BellSouth Telecommunications, Inc Tariff to Implement A \$0.29 Directory Assistance Charge*, Docket No 99-00391, *Order Approving Tariff and Denying Consumer Advocate's Petition* (July 29, 1999)

December 8, 2003 Authority Conference

At the December 8, 2003 Authority Conference, BellSouth verified the accuracy of the information provided in its November 25, 2003 letter to the TRA. Upon further inquiry from the Directors, BellSouth indicated that callers would be informed of the \$.95 charge by a recording at the time the call is placed. The Directors continued to express public policy concerns regarding access to this service for the elderly and disabled at no additional cost. Although recognizing the validity of the Directors' concerns, BellSouth argued that this Tariff is necessary to help facilitate efficient operator services, an effort which is frustrated by callers asking non-telecommunications related questions.

Upon considering the expressed public policy concerns and the absence of an alternative solution to these concerns, the Directors voted unanimously to approve the Tariff with the following stipulations and requirements: that the Tariff be suspended until February 1, 2004; that during this interim period, BellSouth inform the public about the \$.95 charge for the use of this service; that BellSouth implement the use of a recording to inform callers of the charge each and every time the service is accessed; and that BellSouth provide exemptions to this Tariff consistent with the exemptions required for Directory Assistance.

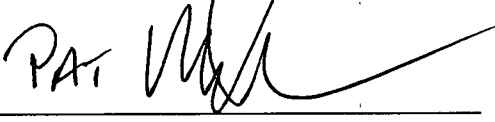
IT IS THEREFORE ORDERED THAT:

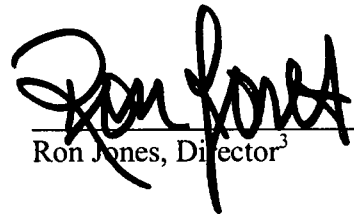
1. BellSouth's Zero Minus Tariff is approved with the stipulations and requirements indicated below;
2. The Tariff is suspended until February 1, 2004;
3. Prior to February 1, 2004, BellSouth shall inform the public about the \$.95 charge through some appropriate public-information medium;
4. BellSouth shall implement the use of a recording for the purpose of informing callers of the \$.95 charge each and every time the service is accessed;

5 BellSouth shall allow six calls per month under this Tariff at no charge to disabled individuals or individuals 65 years or older, whether or not a BellSouth subscriber so long as the individual lives at a subscriber's residence on a permanent basis; and

6. Prior to the effective date of this Tariff, BellSouth may propose an alternative solution to the concerns expressed by the Directors, up to and including withdrawal of the Tariff.²


Deborah Taylor Tate, Chairman


Pat Miller, Director


Ron Jones, Director³

² On January 7, 2004, BellSouth submitted to the TRA a *Filing to Withdraw Tariff*

³ As an additional basis for his decision, Director Jones found that BellSouth had failed to support its claim that the cost of implementing the exemptions is prohibitive